

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7685**

**BILL NUMBER:** HB 1894

**DATE PREPARED:** Mar 6, 2001

**BILL AMENDED:** Mar 5, 2001

**SUBJECT:** Voluntary annexations.

**FISCAL ANALYST:** Chris Baker

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**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) The bill specifies that with respect to an annexation initiated by all property owners of the area to be annexed: (1) the municipality must give notice of the hearing at least 20 day before the hearing; (2) a remonstrance may not be filed; and (3) the annexation takes effect at least 30 days after the annexation ordinance is published. This bill also authorizes the town of Avon in Hendricks County to annex territory if the territory is contiguous to the town, if the entire territory is located in the township within which the town is primarily located, and if the owner of the territory consents to the annexation. It provides that the date on which an annexation ordinance takes effect must be at least 90 days after the ordinance is published and filed.

The bill requires that each page of a petition or remonstrance concerning an annexation must have:

- (1) an explanation of the purpose of the petition or remonstrance;
- (2) a statement indicating to the person signing whether their signature on the petition or remonstrance is in favor or against;
- (3) a description of the territory of the proposed annexation;
- (4) an outline of the property tax consequences of the annexation, including a comparison of the tax rate of the municipality to the tax rate of the area proposed to be annexed;
- (5) the name, phone number, and address of an appropriate municipal official to contact for information related to the details of the fiscal plan and the text of the proposed ordinance enacting the annexation; and
- (6) the name, phone number, and address of the county auditor along with a notation that the county auditor can provide property tax information on the area proposed to be annexed and on the municipality.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) If an ordinance is not introduced by the legislative body within 60 days of filing a petition, a duplicate petition may be filed. A remonstrance may not be filed, if 100% of all land owners of the territory to be annexed sign the petition. These provisions would speed up the time period that an ordinance may be adopted to approve annexation.

When territory is annexed, services are to be extended to that territory. The extension of services to this new territory would create additional expenditures for the municipality. If annexation does not take place, then the municipality would not have to make these expenditures. Generally, annexation of territory into a municipality increases the property tax base. The taxpayers of the newly annexed areas usually experience a rate increase in property taxes, while existing taxpayers of the municipality may experience a rate reduction.

With respect to an annexation of certain territories, the municipality would be required by the bill, to give a one time publication notice, at least twenty days before a hearing on annexation of the territory in question.

Under P. L. 64-1995, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was three dollars and thirty cents (\$3.30) per square for the first insertion in a newspaper or qualified publication plus one dollar and sixty-five cents (\$1.65) per square for each additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by five percent (5%) more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of fifty percent (50%) is allowed for the publication of all public notice advertising containing rule or tabular work.

As amended, the bill requires forms, according to the guidelines of the bill, to be used when either a petition or a remonstrance for annexation is filed. Providing the address and phone number of a municipal official for information on the fiscal plan of a proposed annexation and the County Auditor for obtaining property tax information, may increase the use of the resources of these officials.

### **Explanation of Local Revenues:**

#### **State Agencies Affected:**

**Local Agencies Affected:** Municipalities, Legislative bodies, Circuit and Superior County Courts, County Auditor.

#### **Information Sources:**